

FISCAL NOTE

TO: Chief Clerk of the Senate
Chief Clerk of the House

FROM: James A. Davenport, Executive Director

DATE: March 20, 1995

SUBJECT: **SB 741 - HB 630**

This bill, if enacted, will require that beginning July 1, 1995, the salary of each certificated employee shall be not less than 90% of the statewide average salary for the same training and experience level.

The additional funds for implementation of these provisions are to be distributed through the Basic Education Program (BEP) and are subject to the specific appropriation of funds for such purpose through the general appropriations bill.

The fiscal impact from enactment of this bill is estimated to be an increase in state expenditures of approximately \$20,000,000 and an increase in local government* expenditures of approximately \$7,000,000.

Details of this estimate are shown below:

BEP model with 1993-94 salaries adjusted to the 90% level	\$ 2,830,623,054
BEP model with average 1992-93 salaries	<u>(2,803,709,173)</u>
	<u>\$ 26,913,881</u>

State Share at 75%	\$20,185,411
Local Share at 25%	\$6,728,470

In calculating the fiscal impact, the BEP was run for the 1994-95 school year using the average BEP salary for 1993-94. These salaries were then adjusted for those systems below 90% of the average state salary to raise them to the 90% level.

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James A. Davenport". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

James A. Davenport, Executive Director

**Article II, Section 24 of the Tennessee Constitution provides that: no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*